NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

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April 5, 1977

Presidential Review Memorandum/NSC 24

TO: The Vice President
The Secretary of State
The Secretary of Defense

ALSO: The Secretary of the Treasury
The Secretary of Commerce
The Chairman, Joint Chiefs of Staff
The Director of Central Intelligence
The U.S. Representative to the U.N.

SUBJECT: People's Republic of China (U)

The President has directed the Policy Review Committee to undertake a three-part review of our policies toward the People's Republic of China: 1) an analysis of our broad options toward the PRC; 2) an analysis of the ways we can continue to withdraw our troops from Taiwan; and 3) an analysis of the transfer of defense-related technologies to the PRC.

This review, due June 1, will be undertaken in the following manner:

I. Options Toward the People's Republic of China.

Under the chairmanship of the Department of State, the PRC should:

1. Assess the benefits and costs which have accrued thus far from improved relations with China.

2. Assess the stability of current U.S.-PRC relations, the implications of a failure to advance them, and the advantages, if any, to be derived from normalization.

3. Assess our minimum requirements of Peking concerning their actions and attitudes toward a peaceful settlement of the Taiwan issue.

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by R.Soubers Date 9/7/2000

4. Develop and assess several basic options (with scenarios) for seeking an enhanced relationship with the PRC. Each option must be within the framework of the Shanghai Communique, enable the U.S. to retain a full range of economic and cultural ties with Taiwan, and enable Taipei to provide for its security. Each option should address these series of problems:

(a) Its effect upon the USSR, our Asian allies, Western Europe, and the Third World;

(b) Its effect on our global strategic position;

(c) Its effect on our relations with Taiwan;

(d) Peking's likely response.

II. Taiwan Troop Drawdowns

Under the chairmanship of the Department of Defense, the PRC should review alternative plans for possible additional withdrawals of U.S. forces from Taiwan. It should:

1. Assess alternative schedules for removing the remaining forces, including a 50 percent reduction by December 31, 1978, a 50 percent reduction by December 31, 1977, or a complete withdrawal by December 31, 1977.

2. Develop alternative withdrawal plans to meet each schedule, with each including the alternative of a total withdrawal of the Army Communication Command and the War Reserve Materiel storage by December 31, 1977.

3. Examine the impact of each plan on various U.S. force activities on Taiwan.

III. Defense-Related Technology Transfer to the People's Republic of China

Under the chairmanship of the Department of State, the PRC should undertake a broad review of our policies toward sale of defense-related technology and equipment to the People's Republic of China. Although

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the PRC has not sought to purchase U.S. arms, it has purchased defense equipment from our allies and defense-related technology from the U.S. Hence, the review should:

1. Identify U.S. interests and objectives in facilitating or impeding the flow of the different types of defense-related technologies and equipment to the PRC.

(a) Assess the likely Soviet perceptions and implications for U.S.-Soviet relations of alternative modes and degrees of U.S. strategic export controls vis-a-vis the PRC.

(b) Discuss the potential direct threat to the U.S. of liberalization of controls and the threat of not liberalizing controls.

(c) Assess the effect on other countries: Japan, other East Asian countries, and our European allies.

2. Review current PRC technology levels, needs, and interests by principal sector (i.e., computers, aircraft, machine tools, metallurgy, communications, petroleum exploration, etc.)

3. Assess how technology transfers and purchase of equipment might affect the development of these sectors.

4. Discuss the state of existing legislative and regulatory restrictions, including export controls administered by Commerce and State as well as the COCOM structure and procedures.

5. Consider alternative courses of unilateral and/or multilateral (COCOM) action on these issues:

(a) The controls to be exercised against the PRC compared to those against the USSR.

(b) The advantages and disadvantages of allowing or encouraging sales by Third Countries which we would not license for U.S. exports;

(c) Review the procedural and administrative modifications implied by these alternative courses of action, including a review of NSDM 246 and the applicable section of NSDM 247.

Zbigniew Brzezinski

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